

REMARKS

The Office Action of September 1, 2004, has been reviewed, and in view of the following remarks, reconsideration and allowance of all of the claims pending in the application are respectfully requested.

According to one embodiment of the present invention, a system and method provide incentives to customers where the incentives are tailored to the customer's needs and expectations while achieving profitability to the provider. An embodiment of the present invention may determine a set of incentives based on call type, customer segmentation, as well as profitability factors. Upon receiving a request for termination or other request, the customer may be routed to an appropriate person, department, or group where the customer's account data may be identified and retrieved. The call type may be identified which describes the caller's present situation. Taking into consideration customer payment history and/or other past behavior, the customer may be categorized as a customer segment. Based on the call type, customer segment and profitability factors, a set of tailored incentives may be determined and offered to the customer to promote customer loyalty and retention. If the customer does not accept the incentive, other sales opportunities may be offered to the customer in an effort to retain customer loyalty.

Claims 19 - 38 are Patentable Over Eggleston

Claims 19-38 are presently rejected under 35 USC § 103(a) as being allegedly unpatentable over U.S. Patent No. 6,061,660 to Eggleston. The Office Action alleges that the combination of limitations claimed by Applicants are obvious as taught by Eggleston. The Office Action recognizes that Eggleston fails to show at least "identifying one or more incentives

based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives.” (see page 4, Office Action mailed September 1, 2004) For at least these deficiencies, the Office Action alleges that it would have been obvious to modify Eggleston to include the admitted missing elements to provide “a new incentive program and award system for using a computer network, preferably the Internet, to provide consumer access to expanded incentive programs....” (see Eggleston (col. 5, ll. 45-55) based on the alleged motivation to modify Eggleston so as to “build, buy, store, modify, offer, track and administer incentive programs and to permit sponsors and retailers to offer improved award fulfillment for participants in incentive programs.” (see pages 4-5 of Office Action mailed September 1, 2004).

Eggleston appears to be directed to a system and method for incentive programs and award fulfillment where a host may provide sponsoring companies with the capability to buy prepackaged or self-built incentive programs. (Abstract). According to Eggleston, the incentive program and award system provides consumer access to expanded incentive programs to permit sponsors to build, buy, store and modify, offer, track and administer incentive programs and to permit sponsors and retailers to offer improved award fulfillment for participants in incentive programs (col. 5, lines 46-54). The consumer site of Eggleston alleges to permit the consumer to query a database that provides status information for the consumer regarding participation in host incentive programs (col. 12, lines 58-60). It appears that Eggleston is directed to providing an interface for consumers to track incentive information from a sponsor.

In addressing the admitted missing claim limitations, the Office Action relies upon various excerpts from Eggleston as well as FIGs. 8, 9, and 20 and “whole document.” The

excerpts relied upon by the Office Action (col. 12, lines 57-67; col. 13, lines 1-10; col. 16, lines 45-67; col. 17, lines 1-10; col. 1, lines 35-47; col. 39, lines 50-65 and col. 42, lines 30-67) are directed to consumer access to consumer data related to loyalty programs and fail to provide any disclosure or teaching directed to “*identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives*” where “*the request type identifies the customer’s current situation*” and where “*the customer segment identifies the customer’s past behavior.*” In addition, FIGs. 8, 9 and 20 completely fail to provide any disclosure directed to request type, customer segment and profitability factors as recited by the claim limitations. Based on the disclosure of Eggleston, it is unclear as to how customer access to consumer data could “implicitly show” the claim limitation “*identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives,*” as recited by Applicants. The system of Eggleston describes a completely different system for accessing consumer data related to loyalty programs through a consumer interface without any concern for identifying request type, customer segment and profitability factors.

In addition, the Office Action has completely failed to address the limitation directed to “*offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request*” as recited in independent claim 19. A similar limitation is recited in independent claim 29. Eggleston fails to provide any disclosure or teaching concerning at least this limitation.

As for claim 20 which recites “wherein the request is a request to terminate a relationship with the provider,” the Office Action relies upon col. 33, lines 38-52 which discusses records in

the consumer database 200 and sponsor database 202 where information identifying incentive program, begin date, end date may be stored and col. 35, lines 2-20 which discusses a sponsor being able to build incentive programs to include graphical representations. Clearly, these excerpts completely fail to disclose offering the customer one or more incentives for retaining the customer in response to the request *wherein the request is a request to terminate a relationship with the provider*, as recited by Applicants. There is absolutely no disclosure cited by the Examiner or within the entire disclosure of Eggleston that meets at least this limitation. Therefore, the rejections are improper and claims 20 and 30 should be allowable.

The Office Action alleges that “it would have been obvious to modify and interpret the disclosure of Eggleston ... as showing “*identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives*” because modification and interpretation of the cited disclosure of Eggleston would have provided “a new incentive program and award system for using a computer network, preferably the Internet, to provide consumer access to expanded incentive programs ...” ... “based on the motivation to modify Eggleston so as to “build, buy, store, modify, offer, track and administer incentive programs and to permit sponsors and retailers to offer improved aware fulfillment for participants in incentive programs.” Applicants respectfully disagree.

The alleged “motivation” statement provided by the Examiner is improper for many reasons. The Examiner appears to equate a statement of motivation to an application of improper claim interpretation. The Examiner states that “it would have been obvious to modify and *interpret the disclosure of Eggleston as showing the missing limitations*” (page 4, Office

Action mailed September 1, 2004, emphasis added). Either a reference shows the limitation or it does not - obviousness does not apply to claim interpretation, as suggested by the Examiner. It appears the Examiner is supporting an improper interpretation of the Eggleston reference in such a way as to modify the system of Eggleston to somehow meet the claimed invention of Applicants. For at least these reasons, the alleged motivation for modifying Eggleston is improper and the rejections should be withdrawn.

In addition, the Examiner has failed to explain or even attempt to explain how the missing elements are met by Eggleston. Further, upon close examination of the highlighted excerpts as well as the "whole document," there is nothing in Eggleston to suggest *identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives*, as recited by Applicants. In fact, request type, customer segment profitability factors, as recited by Applicants, are not even discussed in Eggleston. Further, the alleged teaching relied upon by the Office Action has nothing to do with the admitted missing elements of Eggleston. The basis for motivation is improper and the rejections should be withdrawn.

It is also noted that for various other missing limitations, the Examiner has applied the exact same alleged statement of "motivation" without any concern for explaining how the missing elements are met by any teaching of Eggleston. It is reasonable to believe that there is no proper motivation for modifying Eggleston as suggested by the Office Action.

The Modification of Eggleston is Based Purely on Improper Hindsight

The Office Action has failed to set forth a *prima facie* case of obviousness for the claims. Specifically, when a primary reference is missing elements, the law of obviousness requires that

the Office set forth some motivation why one of ordinary skill in the art would have been motivated to modify the primary reference in the exact manner proposed. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the primary reference has a problem and that the proposed modification will solve that exact problem. All of this motivation must come from the teachings of the prior art to avoid impermissible hindsight looking back at the time of the invention.

In the present case, the Office Action's sole justification for modifying Eggleston has absolutely nothing to do with the deficiencies of Eggleston. As admitted by the Office Action, Eggleston fails to show at least "*identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives.*" To properly modify Eggleston to correct for these major deficiencies, the Office has the burden to show some motivation why providing those elements would have overcome some perceived problem with Eggleston. Any such motivation is completely lacking.

Accordingly, the Office has failed to provide any proper motivation for modifying Eggleston, so the proposed modification fails. Even if Eggleston could be modified as suggested by the Office Action, the resulting combination would nevertheless fail to show each and every limitation claimed by Applicants.

The mere fact that Eggleston can be modified does not render the resultant modification obvious unless there is a suggestion or motivation found somewhere in the prior art regarding the desirability of the combination or modification. *See* M.P.E.P § 2143.01; *see also In re Mills*, 16 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990); *In re Fritz*, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). In addition, the teaching or suggestion to make the claimed combination and the reasonable

expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

In *In re Hedges*, 783, F.2d 1038, 1041, 228 U.S.P.Q. 685, 687, (Fed. Cir. 1986), the U.S. Court of Appeals for the Federal Circuit stated that "the prior art as a whole must be considered. The teachings are to be viewed as they would have been viewed by one of ordinary skill." The court also stated that "[i]t is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art'" (quoting *In re Wesslau*, 353 F.2d 238, 241, 147 U.S.P.Q. 391, 393 (CCPA, 1965)).

Therefore, Eggleston fails to show, teach or make obvious the invention as claimed by Applicants. The Office Action has failed to provide proper motivation for modifying the Eggleston reference. In addition, the Office Action has utterly failed to address each and every claim limitations, as recited by the independent claims and dependent claims. Even if the Eggleston reference could be modified as suggested by the Office Action, the resulting combination would fail to disclose the combination of claimed limitations.

Dependent claims 20-28 and 30-38 are Each Separately Patentable over Eggleston

Claims 20-28 and 30-38 all depend ultimately from one of independent claims 19 and 29. As such, each of these dependent claims contain each of the features recited in the independent claims. For the reasons stated above, Eggleston fails to disclose the claimed inventions and the rejections should be withdrawn. Additionally, these claims are separately patentable over Eggleston.

For the remaining dependent claims, the Office Action repeatedly relies upon “the whole document” Upon close examination of the highlighted section as well as the entire Eggleston reference, it is clear that Eggleston fails to show or make obvious the combination of claim limitations. The Examiner has failed to provide a basis of rejection for each and every claim limitation, as mandated by MPEP §§ 706.02(j) and 2143.03. The initial burden is on the Examiner to provide some suggestion of the desirability of doing what the inventor has done. The Examiner has clearly failed to reach the initial burden. Of particular note is that the Examiner has repeatedly failed to point to an actual teaching in the reference, but rather relies on “the whole document.” It is clear that each limitation alone and in the claimed combinations, as recited by independent claims 19 and 29, are not shown in Eggleston.

In addressing dependent claims 22-28 and 30-38, the Examiner alleges that Eggleston inherently shows all of the elements and limitations of claims 22-28 and 30-38. Applicants respectfully disagree. Again, the Examiner has completely failed to rely upon any disclosure or teaching in Eggleston but rather basis the rejection on broad conclusory statements.

Official Notice

The Examiner has taken official notice that the concepts and advantages of “all of the elements and limitations of claims 22-28 were well known and expected in the art by one of ordinary skill at the time of the invention.” Applicants respectfully disagree and challenge the Examiner’s assertion of Official Notice and request the Examiner to provide teaching references that establish that “all of the elements and limitations of claims 22-28” and 30-38 are well known in the art. The Applicant traverses this rejection because there is no support in the record for the conclusion that the identified features are “old and well known.” In accordance with MPEP §

2144.03, the Examiner must cite a reference in support of his position. In addition, for a proper 103 rejection, there must be some motivation to modify the primary reference as suggested by the Office Action. Any such motivation is completely lacking. In addressing "all of the elements and limitations of claims 22-28," the Examiner applies the same improper statement of motivation that fails to establish why one of ordinary skill in the art would have been motivated to modify the system of Eggleston to meet the combination of claim limitations recited by Applicants. Any such showing of proper motivation or valid attempt at such is completely lacking.

CONCLUSION

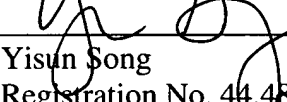
In view of the foregoing amendments and arguments, it is respectfully submitted that this application is now in condition for allowance. If the Examiner believes that prosecution and allowance of the application will be expedited through an interview, whether personal or telephonic, the Examiner is invited to telephone the undersigned with any suggestions leading to the favorable disposition of the application.

It is believed that no fees are due for filing this Response. However, the Director is hereby authorized to treat any current or future reply, requiring a petition for an extension of time for its timely submission as incorporating a petition for extension of time for the appropriate length of time. Applicants also authorize the Director to charge all required fees, fees under 37 C.F.R. §1.17, or all required extension of time fees, to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

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